

The following Interim Management's Discussion and Analysis ("MD&A") of Oro Gold Resources Ltd. ("Oro Gold" or the "Company") has been prepared as of October 28, 2008 and is intended to be read in conjunction with the Company's unaudited consolidated financial statements for the nine months ended August 31, 2008 together with the notes thereto and the Company's audited Consolidated Financial Statements and Notes for the years ended November 30, 2007 and 2006.

The interim financial statements for the nine months ended August 31, 2008 have been prepared by management in accordance with Canadian generally accepted accounting principles. The MD&A has not been reviewed by the Company's auditors. This MD&A constitutes an update to the November 30, 2007 Annual MD&A.

Throughout this report we refer to "Oro Gold", the "Company", "we", "us", "our" or "its". All these terms are used in respect of Oro Gold Resources Ltd. Additional information relating to the Company is available on the SEDAR website at www.sedar.com. All the financial information in this MD&A and all dollar amounts in the tables, including comparatives, are expressed in Canadian dollars, unless otherwise noted.

Cautionary Statement on Forward-Looking Information

This MD&A is based on a review of the Company's operations, financial position and plans for the future based on facts and circumstances as of October 28, 2008. Except for historical information or statements of fact relating to the Company, this document contains assumptions, estimates, and other forward-looking statements regarding future events. Such forward-looking statements involve inherent risks and uncertainties and are subject to factors, many of which are beyond the Company's control that may cause actual results or performance to differ materially from those currently anticipated in such statements. Important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include among others metal price volatility, economic and political events affecting metal supply and demand, fluctuations in ore grade, tonnes of ore milled, geological, technical, and mining or processing problems. Readers are cautioned not to put undue reliance on these forward-looking statements.

BUSINESS DESCRIPTION

Oro Gold is an exploration stage company involved in the acquisition and exploration of mineral properties in Mexico and Central America. The Company does not have any producing mineral properties at this time. The Company directly and indirectly holds several mining concessions in Mexico. The level of exploration operations has been determined by the availability of capital resources. To date, equity financing, consisting of the Initial Public Offering, private placements, and subsequent warrants and options exercises have provided the main source of funding. The Company is a reporting issuer in British Columbia, Alberta and Ontario. Commencing April 18, 2005, the Company began trading on the TSX Venture Exchange under the symbol "OGR".

Oro Gold has various properties located in Mexico and generative properties located in Panama, with 3 of the properties optioned to joint venture partners. The district-scale Trinidad property continues to be the Company's top priority project and the main focus of exploration and resource definition efforts. Ongoing generative activity and a joint venture strategy will continue to be a fundamental part of Oro Gold's growth. The Company's mission is to build shareholder value by making discoveries and developing low-cost gold resources through early and advanced stage exploration.

CORPORATE REORGANIZATION

On February 8, 2007, Oro Gold completed the transfer of its Mexican silver holdings to its 100% owned subsidiary Minera Oro Silver de Mexico S.A. de C.V. ("Oro Silver de Mexico"). The ownership of this subsidiary was then transferred to another subsidiary, Oro Silver Resources Ltd. ("Oro Silver"). Oro Gold then distributed its ownership of Oro Silver to the existing Oro Gold shareholders pursuant to a corporate spinout/restructuring transaction ("Plan of Arrangement").

Under the Plan of Arrangement ("Arrangement"), Oro Gold shareholders received Oro Silver units on the basis of one unit of Oro Silver for every four common shares held in Oro Gold. Each Oro Silver unit consisted of one common share and one half-warrant. Each whole warrant was exercisable at \$0.35 per share with an expiry date of June 8, 2007. As a result, Oro Gold shareholders received 4,633,086 common shares and 2,316,543 share purchase warrants in Oro Silver under the Arrangement. Also pursuant to the same Arrangement, upon exercise of an Oro Gold option or warrant outstanding at the date of the Arrangement, the holder or shareholder is entitled to receive an additional Oro Silver unit on the same one unit of Oro Silver for each four common shares of Oro Gold acquired on exercise of Oro Gold options or warrants. Oro Silver is then entitled to receive 25% of the proceeds of such option or warrant exercises from Oro Gold as its share of the proceeds of such exercises.

Also pursuant to the Arrangement, Oro Gold acquired 1,000,000 shares of Oro Silver at a price of \$0.25 per share for a total investment of \$250,000. As at August 31, 2008 these shares were written down to fair market value of \$0.135 per share. These shares are held in escrow and are scheduled to be released at a rate of 10% at the start of Oro Silver's trading (released) and 15% every six months thereafter. As at August 31, 2008, 450,000 of these Oro Silver shares remained in escrow.

HIGHLIGHTS

Property Agreements and Exploration

- Initiation of the first phase of a reverse circulation ("RC") drill campaign at the Cimarron property located 40 km east of Mazatlan, Sinaloa, Mexico. *(June 2008)*
- Completion of a National Instrument 43-101 ("NI-43-101") report on the Taunas and Colinas exploration areas of the Trinidad property in Sinaloa, Mexico, whereby the inferred resources were estimated at 4,494,800 tonnes at an average gold grade of 1.39 g/t, for a total of 200,930 ounces of gold, at a 0.5 g/t gold cut-off. *(June 2008)*
- Commencement of an additional RC drill program at the Company's wholly-owned Trinidad property in Sinaloa, Mexico. *(July 2008)*
- Announcement of the new surface discovery "San Cristobal" on the south eastern corner of the Trinidad property, covering a 12 km² area and consisting of hydrothermal breccias and quartz veining in four target zones. *(July 2008)*
- Reporting of assay results for the first phase 2,400 metre RC drill campaign completed at the Cimarron property. The drilling tested the Calerita target located in the central part of the property and confirmed the presence of a significant outcropping gold-bearing zone. *(September 2008)*
- Announcement of gold assay results for the 4,000 metre RC and core drilling program at the Trinidad property indicating a good potential to increase the gold grade and expand the new zone discovered by Oro Gold. Highlights of the program included 8.50 g/t gold over 61.1 metres in 08TR012 and 5.29 g/t gold over 23.6 metres in 08TR013. *(October 2008)*
- Reporting of gold assay results for a third twin core hole of the recently completed Trinidad property drill program whereby a core twin of a RC hole located in the new zone northeast of the Taunus pit, intersected 5.3 g/t gold over 7.8 metres from 106.2 to 114.0m and 9.7 g/t gold over 7.0 metres from 131.0 to 138.0m. This confirms a significant increase in gold grade of over 300% in the core interval for the same mineralized interval in the RC hole. *(October 2008)*

Financing and Corporate:

- Completion of the first closing financing whereby Oro Gold issued 2.9 million units at a price of \$0.55 per unit, for gross proceeds of \$1.587 million. *(July 2008)*
- Receipt of an additional 200,000 shares of Mazorro Resources as part of the formal agreement dated November 30, 2007, bringing the total number of shares held by the Company to 500,000 shares. *(July 2008)*
- Completion of the second and final closing financing for an additional 395,000 units for total gross proceeds of \$1,800,000. *(August 2008)*
- Appointment of Larry Okada as Chief Financial Officer and Mimy Fernandez-Maldonado as Corporate Secretary of the Company and granting of 896,000 incentive stock options to directors, officers, employees and consultants of Oro Gold. *(August 2008).*

RESULTS OF OPERATIONS

For the three months ended August 31, 2008 ("Third quarter 2008")

The Company's net loss for the Third quarter 2008 totalled \$367,564, a loss of \$0.02 per share (Third quarter 2007 - \$376,187, a loss of \$0.02 per share). These results include interest income and other income of \$25,635 and foreign exchange gain of \$16,169 (Third quarter 2007 – interest income and operator fee of \$8,458 and loss of \$28,293).

Operating expenses for the Third quarter totalled \$409,367 (Third quarter 2007 - \$356,352). Significant expenses for this period are as follows:

- Exploration expenses totalled \$39,138 (Third quarter 2007 - \$137,461). Exploration costs relate primarily to generative exploration in Mexico and Panama. This decrease since 2007 is due to the Company concentrating its activities and efforts in the development of its properties in the Rosario Gold Belt in Sinaloa, Mexico as opposed to generative exploration projects.
- Management salaries and consulting fees - \$134,050 (Third quarter 2007 - \$101,220). Increased costs in that account resulted from increased use and implementation of both full-time management and consultants to support increased resource property development and exploration activity.
- Foreign exchange gain totalling \$16,169 (Third quarter 2007 – \$28,293 loss). The gain relates to the appreciation of the Canadian dollar relative to the Mexican peso during the quarter.
- Investor relations expenses, which include costs of investor dissemination, investment shows and consulting expenses for marketing and strategy, were \$22,466 and increased compared those in the Third quarter 2007 - \$8,084. This is due to increased investor relations and marketing initiatives in the Third quarter of 2008.
- Stock-based compensation costs totalled \$104,526, compared to \$16,664 in the Third quarter of 2007. These arose from the issuance of 896,000 stock options to directors, officers and employees of the Company.

For the nine months ended August 31, 2008

The Company's net loss for the nine months ended August 31, 2008 totalled \$927,021, a loss of \$0.04 per share (2007 - \$1,498,821, a loss of \$0.08 per share). These results include interest income and other income of \$54,294 and foreign exchange gain of \$127,728 (2007 - interest income and operator fee of \$39,427 and loss of \$165,486).

The Company capitalizes all acquisition and exploration costs until the property to which those costs are related is placed into production, sold, or abandoned. The decision to abandon a property is largely determined from exploration results and the amount and timing of the Company's write-offs of capitalized resource property costs will vary in a fiscal period from one year to the next and typically cannot be predicted in advance. During the nine months ended August 31, 2008 a total of \$2,423,372 of resource property costs were capitalized; details of the cost break-down are contained in the Schedule of Resource Property Costs in the accompanying financial statements.

Operating expenses for the nine month period totalled \$1,109,043 (2007 - \$1,620,157). Significant expenses for this period are as follows:

- Exploration expenses totalled \$167,546 (2007 - \$312,941). Exploration costs relate to generative exploration in Mexico and Panama. This decrease since 2007 is due to the Company concentrating its activities and efforts in the development of its properties in the Rosario Gold Belt in Sinaloa, Mexico as opposed to generative exploration projects.
- Management salaries and consulting fees - \$367,289 (2007 - \$326,541). Increased costs in that account resulted from increased use and implementation of both full-time management and consultants to support increased resource property development and exploration activity.
- Foreign exchange gain totalling \$127,728 (2007 - \$165,486 loss). The gain relates to the appreciation of the Canadian dollar relative to the Mexican peso during the period.
- Accounting and legal costs totalled \$119,611 (2007 - \$123,001). Costs are related to the year-end audit accrual, legal fees and taxation related consulting fees.
- Investor relations expenses, which include costs of investor dissemination, investment shows and consulting expenses for marketing and strategy, were \$96,343 and increased compared those in 2007 - \$49,710. This is due to increased investor relations and marketing initiatives planned for the fiscal year.

Stock-based Compensation

The Company uses the fair value method of accounting for all stock-based payments to employees, directors and officers. The value of stock-based compensation expense is added to the contributed surplus account within shareholders' equity, resulting in no net effect on total shareholders' equity. During the period ended August 31, 2008 the Company granted 896,000 fully vested incentive stock options to directors, officers and employees at a price of \$0.55. The options expire on August 11, 2013

Under the fair value method, stock based compensation of \$ 160,026 was recorded by the Company, of which \$104,526 is included in expenses and \$55,500 is included in capitalized resource property costs, with a corresponding increase in contributed surplus. The fair value of the stock options granted at the date of the grant using the Black-Scholes pricing model assume risk-free interest rate of 3.11%, no dividend yield, expected life of 5 years and an expected price volatility of 83.94%.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected financial data reported by the Company for the quarters ended August 31, 2008, May 31, 2008, February 29, 2008, November 30, 2007, August 31, 2007, May 31, 2007, February 28, 2007, and November 30, 2006.

For the quarters ended:	Aug. 31, 2008	May 31, 2008	Feb. 29, 2008	Nov. 30, 2007	Aug. 31, 2007	May 31, 2007	Feb. 28, 2007	Nov. 30, 2006
	\$	\$	\$	\$	\$	\$	\$	\$
Interest and other income	25,635	18,175	10,485	21,237	8,458	15,342	15,627	33,502
Loss	367,564	380,776	178,681	707,362	376,187	762,275	360,359	547,328
Net loss per common share, basic and diluted	0.02	0.02	0.01	0.02	0.02	0.04	0.02	0.04

RECENT DEVELOPMENTS

Trinidad Property

The 651 km² Trinidad property was originally staked by Oro Gold and is located in an area of good infrastructure, 90 kilometres east of Mazatlan. The Company received the Trinidad's exploration title in 2007. The property includes the former Taunus open-pit gold mine, previously owned by Eldorado Gold Corporation and in production from 1996 to 1998. The expected mine life was 4 years; however, the mine was shut down in 1998 due to high production costs. As a marginal deposit in a weakening commodities market, its true potential was never explored. The Company obtained feasibility study data for the past-producing mine located on the property and completed its resource estimate using the historical drill data as well as surface work completed by Oro Gold. This resource estimate indicated that 1,624,000 tonnes grading 1.76 g/t for a total of 91,915 ounces of gold remained in the Taunus Pit and Colinas areas. The resource estimate was later increased by 119% to 200,930 ounces of gold representing 4,491,800 tonnes at 1.39 g/t gold at a 0.5 g/t gold cut-off (press releases dated May 29, 2008 and July 2, 2008).

In July 2008, the Company commenced a RC and core drill program at Trinidad which was completed in October 2008 (press release dated October 6, 2008). The drill results indicated good potential to increase the gold grade and expand the new zone discovered by Oro Gold.

Highlights of the core drill program included 8.50 g/t gold over 61.1 metres (including 10.2 g/t gold over 40.1 metres) in 08TR012, an infill hole in the new zone; and 5.29 g/t gold over 23.6 metres (including 15.8 g/t over 7.3 metres) in 08TR013, a twin hole in the new zone. Highlights of the RC drill program included 1.62 g/t gold over 100.0 metres in 08TRRC040, a resource expansion hole in the new zone northeast of the pit; 5.70 g/t gold over 26.0 metres in 08TRRC047B, a resource expansion hole in the new zone northeast of the pit; and 2.51 g/t gold over 18.0 metres in 08TRRC037A, a resource expansion hole south of the pit.

The drill intersection of 8.5 g/t gold over 61 metres is significant since it is our first core hole into the heart of a new discovery area. The results of this drill program have exceeded our expectations. We are on target to reach our 2008 objectives of defining and adding new ounces to our current gold resource base. These results demonstrate outstanding upside potential at Trinidad and the entire district. Approximately 13,000 metres of RC and core drilling have been completed to date, defining Oro Gold's first significant gold resource target on the property.

In addition, on October 15, 2008 we reported gold assay results for a third twin core hole which intersected 5.3 g/t gold over 7.8 metres and 9.7 g/t gold over 7.0 metres. The core hole is a twin of RC hole 08TRRC029 which had two corresponding intervals: 1.7 g/t gold over 8.0 metres compared to 5.3 g/t gold

over 7.8 metres in the core hole, and 1.8 g/t gold over 8.0 metres compared to 9.7 g/t gold over 7.0 metres in the core hole. This confirms a significant increase in gold grade of over 300% in the core interval for the same mineralized interval in the RC hole.

All of the core twin holes drilled to date show significantly higher gold grades than reported in the same intervals drilled by RC. We are very excited about these results as it is demonstrating a positive impact on the grade and potential upside of the Taunus gold deposit. It is important to note that the majority of the previous drilling and resource estimation relied on RC drilling. These results show that RC drilling is a good exploration tool, but appears to substantially underestimate the gold grade of this deposit

Based on the results, Oro Gold is planning to update the resource estimate by the first quarter of 2009. Further information on the drill results, the location of the drill holes and the targeted zones can be viewed on our website at www.rogoldresources.com.

Cimarron Property

The 82 km² Cimarron property is situated in southern Sinaloa state, Mexico, 40 kilometres east of Mazatlan, Mexico and on trend with the historic multi-million ounce past-producing Rosario gold and silver mine. Local infrastructure is well developed and property access is good.

In May 2007 the Company optioned the Cimarron property to Mazorro Resources Ltd. ("Mazorro") whereby Mazorro has the option to acquire a 60% undivided interest in the Cimarron property by spending US\$2.7 million in exploration expenditures by June 30, 2011 and by issuing one million common shares in stages over a four-year period. The agreement schedule includes an expenditure of approx US\$1.44 million by June 2009.

In June 2008, Oro Gold and Mazorro commenced the first phase of a 5,000 metre RC drill program. This program consisted of 2,400 metres of drilling. The drill program was designed to target the kilometre-scale gold anomaly at the Calerita prospect, as well as drill-test anomalies identified from the soil geochemical and magnetic surveys covering 326 line-kilometres.

The Company announced the completion of the drill program in September 2008 (press release dated September 4, 2008). The drilling confirmed the presence of a significant outcropping gold-bearing zone. Highlights of the drill program included holes CIMRC08-001: 0.6 g/t gold over 84 metres; CIMRC08-002: 0.9 g/t gold over 90 metres (including 1.8 g/t gold over 24 metres); CIMRC08-004: 0.7 g/t gold over 60 metres; and CIMRC08-006: 0.5 g/t gold over 76 metres.

Based on these encouraging results, two diamond holes were drilled to confirm the RC drilling results (assays are pending) and to provide additional geological data to aid in interpreting the RC results. The Calerita target is centered on a 1 kilometre by 300 metre northeast trending gold-in-soil anomaly hosted in intrusive and volcanic rocks. The drilling at Calerita expanded the known gold mineralization at depth. The dimensions of the zone are now at least 350 metres by 250 metres at surface and to a depth of approximately 100 metres.

The results of the first phase of drilling are very encouraging. We are currently incorporating these results into a 3-D geological model which we will use to guide the next phase of drilling. Based on results obtained to date, we are confident that the next drill program will produce sufficient results to justify completing a resource estimate in the Calerita area. We are also defining new target areas through surface mapping and sampling. The good infrastructure of the property in terms of road access, proximity to power, and location near an international port makes the project economics potentially very attractive if we continue to discover and define a gold resource. The exploration plan going forward will include an additional 2,500 metres of RC drilling, 300 metres of core drilling, metallurgical test-work, and the completion of a first resource estimate of the Calerita target. The next phase of drilling will target the potential expansion of the gold resource in the Calerita area as well as test additional targets on the property.

OUTLOOK

The Company will continue to carry out exploration of its mineral properties, and to evaluate new prospects and opportunities. The Company expects to obtain financing in the future primarily through further equity financing, as well as through joint venturing of the Company's properties to qualified mineral exploration companies. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operation and eventually to forfeit or sell its interest in its mineral properties.

Exploration Plans:

- Given the current market conditions, Oro Gold has implemented a number of cost savings measures including significant staff reductions in Mexico, Vancouver and Panama as well as voluntary salary reductions at all levels. All cost cutting measures have been carefully planned to provide the maximum upside exposure to exploration while reducing costs to a minimum.
- Oro Gold plans to focus on advancing the Trinidad property with an emphasis on expanding the potential upside of the new discovery area which has reported significantly higher grade gold results recently as compared to previous RC drilling results. This will be accomplished through additional diamond drilling, geological modelling and further investigations to characterize the fine grained free gold through gravity separation and analysis. Oro Gold's focus continues to be to increase the current gold resource base at its 100-per-cent-owned flagship Trinidad property.
- Resource estimation activity will be completed as drill results are received and models are updated predominantly for the Trinidad and Cimarron properties. The Company will complete an updated Trinidad resource estimate once assay results are confirmed on the phase 2 drilling, and plans to report a resource update early in the first quarter of 2009. The Company also plans to complete a resource estimate on the Cimarron property, following the completion of its first drill campaign, which will be funded by a joint venture partner. A National Instrument 43-101 compliant resource estimate for Cimarron is expected to be completed by the end of the fourth quarter of 2008.
- Ongoing generative activity and a joint venture strategy will continue to be a fundamental part of Oro Gold's growth. Oro Gold's focus is to increase shareholder value through the discovery and definition of low-cost and quality gold resource ounces on our advanced stage properties.

LIQUIDITY AND CAPITAL RESOURCES

The Company is in the exploration stage and therefore has no regular cash flow. At May 31, 2008, the Company had a working capital of \$1,207,073 (November 30, 2007 - \$2,451,662).

For the three months ended August 31, 2008 – "Third quarter 2008"

The Company's cash and cash equivalents increased from \$341,559 as at May 31, 2008 to \$702,078 as at August 31, 2008. The net increase is due to the funds raised in the private placement during the quarter, funds and the Company's continued use of funds for the exploration of its resource properties and the Company's ongoing operations.

Cash utilized in operating activities during the three months ended August 31, 2008 was \$245,046 (2007 - \$349,116) before any changes in non-cash working capital. After adjusting for cash flows applied to non-cash working capital, cash used in operating activities was \$799,031 (August 31, 2007 - \$441,617).

Cash used for investing activities during the three month period ended August 31, 2008 was \$541,343 (2007 - \$315,997). \$424,227 (2007 - \$381,416) was expended for the acquisition and exploration of resource properties, \$5,166 (2007 - \$21,894) was for the acquisition of equipment, and \$111,950 (2007 - \$nil) was classified as restricted cash to be applied to the Cimarron resource development.

For the nine months ended August 31, 2008

The Company's cash and cash equivalents decreased from \$1,153,037 as at November 30, 2007 to \$702,078 as at August 31, 2008, due to the Company's continued use of funds for the exploration of its resource properties and the Company's ongoing operations.

Cash utilized in operating activities during the nine months ended August 31, 2008 was \$767,527 (2007 - \$947,718) before any changes in non-cash working capital. After adjusting for cash flows applied to non-cash working capital, cash used in operating activities was \$1,450,634 (2007 - \$1,260,582).

Cash used for investing activities during the nine month period ended August 31, 2008 was \$1,279,210 (2007 - \$1,507,086) of which \$1,000,000 (2007 - invested \$16,870) was the use of short-term investments, \$2,138,921 (2007 - \$1,161,524) was expended for the acquisition and exploration of resource properties, \$28,339 (2007 - \$162,432) was for the acquisition of equipment, and \$111,950 (2007 - \$nil) was classified as restricted cash to be applied to the Cimarron resource development.

At August 31, 2008, the Company's investment in resource properties aggregated \$5,402,979 (November 30, 2007 - \$2,979,607) comprised of \$191,884 (November 30, 2007 - \$153,486) of acquisition costs and \$5,211,094 (November 30, 2007 - \$2,826,121) of deferred exploration costs. Included in deferred exploration costs is \$259,995 in option receipts - cash and shares (November 30, 2007 - \$142,101). The Company's investment in equipment, net of amortization, was \$148,332 (November 30, 2007 - \$175,887).

At August 31, 2008, shareholders' equity totalled \$6,827,534 (November 30, 2007 - \$6,080,893). Its main components are:

- Share capital of \$10,682,023, with 25,548,150 issued and outstanding common shares (November 30, 2007 - \$7,006,450, with 19,031,107 shares issued and outstanding);
- Fair value of options of \$1,063,021 (November 30, 2007 - \$898,243), representing the fair value of stock options granted and vested less the fair value of stock options exercised, this balance increased by \$164,778, representing the fair value of the options granted as stock-based compensation in the period;
- Fair value of warrants of \$677,321 (November 30, 2007 - \$290,008) representing the valuation of both regular and agents warrants issued and outstanding; during the nine month period, this balance increased by \$387,313, representing the fair value of the warrants attached to private placement units;
- Accumulated other comprehensive loss of \$265,000 (November 30, 2007 - \$760,000 income) resulting from the decrease in market value of the Company's investments, and;

As at August 31, 2008, the Company has 3,258,522 share purchase warrants (Range of exercise price - \$0.75-\$1.00 per warrant). In addition, the Company has 2,228,000 share purchase options outstanding (Range of exercise price - \$0.55-\$0.88 per share), granted pursuant to its February 1, 2005 share purchase option plan. If exercised, these options would generate \$1,515,040 of gross proceeds.

Lease Commitment:

On November 2, 2006, the Company entered into an operating lease for office premises to be effective December 1, 2006, for 60 months. The monthly lease payments include rent, operating costs and property taxes. Minimum payments are as follows:

Year	Amount
2008	\$ 27,962
2009	111,847
2010	111,847
2011	111,847
	\$ 363,503

At present, the Company's operations do not generate cash flows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

The Company currently has sufficient financial resources to meet its administrative overhead and property commitments going forward and is confident that it can raise additional funds to undertake all of its planned exploration activities.

TRANSACTIONS WITH RELATED PARTIES

During the period ended August 31, 2008, the Company paid for certain expenditures on behalf of Oro Silver. At August 31, 2008, the Company has \$65,161 net receivable from Oro Silver. This balance is non-interest bearing, with no specific terms of repayment and is included in the Due from Related Parties balances.

During period ended August 31, 2008, the Company paid or accrued \$210,408 to directors and officers or companies controlled by directors and officers of the Company, for management and consulting services provided and related expense reimbursements. Included in Due to Related Parties is \$16,520 of amounts owing to the above mentioned related parties. The Company also has receivable from other related parties in the amount of \$5,500. These balances are non-interest bearing, with no specific terms of repayment.

The above related party transactions, occurring in the normal course of business, are measured at their exchange amount in these consolidated financial statements, which is the amount of consideration received as established and agreed upon by the Company and the aforementioned related party.

PROPOSED TRANSACTIONS

At the present time, there are no proposed transactions that should be disclosed.

RISKS AND UNCERTAINTIES

The financial statements for the Company were prepared on the basis of a going concern which assumes the company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of business. There are several adverse conditions which cast significant doubt on the validity of the going concern assumption. The Company has incurred operating losses since inception, has limited financial resources, has no source of operating cash flow, and no assurances that sufficient funding will be available to conduct exploration programs and administrative expenses.

The ability of the Company to continue as a going concern is dependent upon its ability to obtain sufficient financing to complete its mineral projects and fund its administration costs, enter into joint ventures on its mineral properties, obtain sufficient proceeds from disposition of its mineral properties and/or future profitable production.

If the going concern assumption was not appropriate for the Company then there could be a material adjustment to the carrying values of assets and liabilities, the reported income and expenses and balance sheet classifications.

Exploration Stage Company

The Company is engaged in the business of acquiring, exploring and developing mineral properties with the expectation of locating economic deposits of minerals. All of the properties are without proven ore deposits and there is no assurance that the Company's exploration programs will result in such, nor can there be any assurance that economic deposits can be commercially mined.

The risks and uncertainties that the Company faced during the period have not changed since last year-end.

Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning Oro Gold's general and administrative expenses and resource property costs is provided in the Company's Consolidated Statement of Loss and Deficit; Schedule 1 - Resource Property Costs; and Schedule 2 - Exploration Expenses, contained in its Interim Consolidated Financial Statements for August 31, 2008 and information concerning the mineral properties, directors and officers, corporate structure contained in the Company's Annual Report are available on Oro Gold's website at www.oro goldresources.com or on SEDAR at www.sedar.com.

CHANGES IN ACCOUNTING POLICIES

Effective March 1, 2008, the Company adopted the following Canadian Institute of Chartered Accountants ("CICA") accounting standards:

- CICA Section 1400 *General Standards of Financial Statement Presentation* which was amended to include a requirement for management to assess and disclose the company's ability to continue as a going concern. The impact of adopting this section did not have an effect on the company's financial statements.
- CICA Section 1535 *Capital Disclosures*. This section requires the Company to include additional information in the notes to the financial statements about its capital and the manner in which it is managed. The additional disclosure includes quantitative and qualitative information regarding an entity's objectives, policies and procedures for managing capital. The impact of adopting this section is disclosed in Note 3 of the third quarter financial statements.
- CICA Section 3862 *Financial Instruments Disclosures*. This section requires disclosures of both qualitative and quantitative information that enables users of the financial statements to evaluate the nature and extent of risks from financial instruments to which the Company is exposed. The impact of adopting this section is disclosed in Note 3 of the third quarter financial statements.
- CICA Emerging Issues Committee 172 *Income Statement Presentation of a Tax Loss Carryforward Recognized Following an Unrealized Gain on an Available for Sale Financial Asset*. This EIC requires a company which has prior year loss carryforwards that have not been recognized as a future income tax assets when there are future income tax liabilities related to unrealized gains from

financial assets to be recognized in income. The impact of adopting this EIC does not have an effect on the company's financial statements.

Future Accounting and Reporting Changes

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for the publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the quarter ended February 28, 2011. The Company has begun assessing the adoption of IFRS for its fiscal year ended November 30, 2011. However, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Goodwill and Intangible Assets

In February 2008, the AcSB issued Handbook Section 3064 *Goodwill and Intangible Assets* which will replace Section 3062 *Goodwill and Intangible Assets* and amended Section 1000 *Financial Statement Concepts* clarifying the criteria for the recognition of assets, intangible assets and internally developed intangible assets. Items that no longer meet the definition of an asset are no longer recognized with assets. The new standard also provides guidance for the treatment of preproduction and start-up costs and requires that these costs be expensed as incurred. The new standard is effective for fiscal years beginning on or after October 1, 2008 and early adoption is permitted. The adoption of this new section is not expected to have a material impact on the Company's financial position.

OUTSTANDING SHARE DATA

Oro's authorized capital is unlimited common shares without par value. As at October 28, 2008, the following common shares, options and share purchase warrants were outstanding:

	# of Shares	Exercise Price	Expiry Date
Issued and Outstanding Common Shares at October 28, 2008	25,548,150		
Warrants			
Share purchase warrants	1,618,300	\$1.00/\$1.25	18-Dec-09
Share purchase warrants	1,442,722	\$0.75/\$1.00	9-Jul-10
Share purchase warrants	197,500	\$0.75/\$1.00	8-Aug-10
Options			
Share purchase options	350,000	\$0.88	2-Jun-11
Share purchase options	515,000	\$0.85	1-Mar-12
Share purchase options	467,000	\$0.61	29-Oct-12
Share purchase options	896,000	\$0.55	8-Aug-13
Fully Diluted at October 28, 2008	31,034,672		

FINANCIAL INSTRUMENTS AND OTHER FINANCIALS

The Company's financial instruments consist of cash and cash equivalents, short-term investments, advance to related party, marketable securities, GST and IVA receivable, and accounts payable and related party payables. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

Foreign exchange risk is the risk arising from changes in foreign currency fluctuations. The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign currency rates. It is the opinion of management, however, that the foreign exchange risk to which the Company is exposed is minimal.

CRITICAL ACCOUNTING ESTIMATES

The Company's accounting policies are presented in note 3 of the November 30, 2007 audited financial statements. The preparation of consolidated financial statements in accordance with generally accepted accounting principles requires management to select accounting policies and make estimates. Such estimates may have a significant impact on the financial statements. Actual amounts could differ materially from the estimates used and, accordingly, affect the results of the operations. These include the carrying values of mineral properties; and the valuation of stock-based compensation expense.

Mineral properties and deferred exploration costs

The Company records its interest in mineral properties at cost. Resource exploration and development costs are capitalized on an individual area of interest basis until such time as an economic resource body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the reserves, while costs for the prospects abandoned are written off.

Management of the Company reviews and evaluates the carrying value of each mineral property for impairment when events or changes in circumstances indicate that the carrying amounts of the related asset may not be recoverable. When it is determined that a mineral property is impaired, it is written down to its estimated fair value.

Management's estimates of mineral prices, mineral resources, and operating capital and reclamation costs are subject to certain risks and uncertainties that may affect the recoverability of deferred mineral property costs. Although management has made its best estimate of these factors, it is possible that material changes could occur which may adversely affect management's estimate of the net cash flows expected to be generated from its properties.

The recoverability of amounts shown for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to continue operations and to complete the development and upon future profitable production or proceeds from the disposition thereof. The discovery or establishment of adequate reserves is dependent on successful exploration. Competition for exploration resources at all levels is currently very intense, particularly affecting availability of manpower, drill rigs and helicopters. As a result of this, and other factors inherent in exploration, the Company has uncertainty that it will be able to carry out its planned exploration programs.

Stock-based compensation expense

From time to time, the Company may grant share purchase options to directors, employees, and service providers. The Company uses the Black-Scholes option pricing model to estimate a value for these options. This model, and other models which are used to value options, require inputs such as expected volatility,

expected life to exercise, and interest rates. Changes in any of these inputs could cause a significant change in the stock-based compensation recorded in a period.

Disclosure Controls and Procedures

Management has designed disclosure controls and procedures, or has caused them to be designed under its supervision, to provide reasonable assurance that material information relating to the Company, is made known to management by others within those entities, particularly during the period in which the annual filings are being prepared. Management has also designed such internal control over financial reporting, or caused it to be designed under management's supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparation of the financial statements for the period ended August 31, 2008 in accordance with Canadian Generally Accepted Accounting Principles. There has been no change in the Company's disclosure controls and procedures or in the Company's internal control over financial reporting that occurred that has materially affected, or is reasonably likely to materially affect, the Company's disclosure controls and procedures or internal control over financial reporting.

ADDITIONAL INFORMATION

Additional information relating to Oro Gold is available on SEDAR at www.sedar.com, by e-mail at communications@orogoldresources.com or by contacting:

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